Previous references.

File No. 3 of 07

1907—8
(Banking)

Serial Nos. 3, 7½, 10, 13, 16 & 17

Later references.
13, marg 09 SS 627 file 6-08
Etc. 25-18-6, 7, 14, 15, 16, 17
1918 20.
E.C. 44-20 (38, 48, 49, 52-54).
E.C 44-20-102

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. 3, 7½, 10, 13, 16, & 17

Part B. for January a

SUBJECT.

Late Agricultural Bank at Saklespur in the Mangalore Taluk.

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3) From the Revenue Commissioner No. 2038 dt. 8.7.07 Submits for orders copy of letter No. 5844/S. 8 17-5-07 together with its enclosures from the D.C. Hassan, district, submitting report on the working of the Estates hypothecated to the above bank during 1906-7 and recommends sanction to the grant of advances for the working expenses of the said estates for 1907-8

7½) D. O. No. 500 dt 11.9.07. From the Revenue Commissioner forwards draft Govt proceedings regarding the grant of advances for working expenses of the estates mortgaged to the late Agricultural Bank at Saklespur [illegible] a report that the said [illegible] before the Director [illegible] may deem

G. R. S. 58

No. 7e. 2273 dt 13. 11.07.
enquiries whether the clause about taking
possession of Estates and disposing of
them by private negotiation is according
to Law.

13) From the Revs Commr No. 5468 dt 23.11.07
Submits the information called for.

16) To the Revs Commr, Dy Commrs of Kadur & Hassan Districts,
No. 7e. 3526-8 dt 16.1.08
Declines to sanction from the close of
the current year 1907-8 any more advances
for the up keep of the coffee Estates of the
indebted members of the late Agl Banks
at Sakleshpur and Chikmagalur
and directing in certain cases the
realisation of the arrears due to Govt
under the provisions of the L.R. Code.

To the Revs Commr in Mysore,
Dy Commrs of Hassan & Kadur dists.
Inspector of Agricultural Banks
Inspector of Coffee Estates.

No. 7e 3529 – 33, dt 16.1.08
Desires certain instructions to the Deputy
Commrs & the Inspector of Coffee Estates
for recovering from the indebted members
of the late Agl Banks at Sakleshpur
and Chikmagalur debt due to Govt
by them either by selling the estate in
public auction or otherwise.

—

G.R.S. 11] 1907.08

GENERAL AND REVENUE SECRETARIAT

(Banking)

NOTES.

File. No. 3907-08

FILE HEADING.

Late Agricultural Bank at Sakleshpur in the Manjarabad Taluk

From

The Revenue Commissioner in Mysore

No. 2038 Dated 1/9-8-07 Received 10-8-07

Diary No. 600	Encls. 7	Spare Copies.	Serial No. 3

BRIEF ABSTRACT OF LETTER.

Submits for orders a copy of letter No. 5 of 17-7-07 together with 9 Enclosures from the Dy. Comr. Hassan District submitting report on the working of the Estates hypothecated to the above Bank during the year 1906-07 and recommends sanction to him out of the three proposals of the Dy. Comr re grant of advances for the working Expenses of the said Estates for the year 1907-08.

NOTES AND ORDERS.

The Govt. finding that the Late Coffee Banks had become greatly involved in difficulties, and for want of working capital, the Estates, on the security of which loans were made, were deteriorating in value, the members of these Banks were authorised in Govt. Ins. 9326-7 of 20th May 1901 R.7-117-95

NOTES—First sheet

GPR—30,000—20-3-06.

Serial No.

to procure loans on the security of standing crops for the annual up-keep. But as this arrange-ment was reported to have not worked suc-cessfully owing to the insufficiency of the loans thus acquired, the Govt sanctioned an annual grant of Rs. 60,000 for the Kadur District and Rs. 50,000 for the Hassan District for the purpose of advancing to these two Banks, for a few years, such sums of money as were necessary for their up-keep and as could be got back from the crop year after year. It was also directed that in the order sanctioning these advances that these amounts should bear interest @ 6% per annum from the dates the instalments were drawn.

No. R 2407-10 / R.F. 100-96 of 28-11-02.

Subsequently when Govt found that their Efforts to resuscitate these banks and keep them in exist-ence had failed and that the value of the average crop for the previous years left no margin either for payments towards the old debts in part, or towards working expenses in full, Govt directed to wind up these Banks and to substitute indivi-dual liability instead of the joint liability and In doing so they laid down some broad principles for observance in dealing with the Estates individually Among these it is directed that advances for working Expenses are to be made in Exceptional cases on the security of the standing crops, under such

No. R 4218-21 / B.33-04-11 of 6-1-05

NOTE—Contn. sheet

Serial No.

safeguards as the Dy. Commissioners may devise.

The Dy. Comr. now reports that most of the members have applied for advances for the current year, 07-08, and proposes, after explaining the object of govt in sanctioning the payment of advances, how far that object is attained by the present system of restricting the advances to the Estimated value of the crop and whether the above restrictions can be removed in the interests of govt, to the effect that it is desirable in the interests of govt. that the sums advanced for the annual working Expenses of the Estates should not be limited, as is now done, by the Estimated value of the years crop, but should be fixed after ascertaining the Estates or portions thereof which are capable of being worked profitably and the minimum requirements for the up-keep of such portions; and that the annual advances should be made only to those members who are in real need of help and not indiscriminately to all the debtors of the Bank who may apply for them. To provide for these cases he requests that an allotment of Rs. 15,000 may be sanctioned for the current year.

The Rev. Comr. recommends the above views for the approval of govt.

NOTE—Contn. sheet

Serial No.

The following table shows the advances issued to members and the value of crop realised.

Year	Amount of advance issued	The Value of crop realised @ 8 Rs. per maund deducting the Kandayam
From April 1903 to 30th June 1904	26,394-12-1	8,165-0-0
During 1904-05	18,881-8-1	20,248-0-0
Do -1905-06	23,861-0-0	48,231-0-0
Do - 1906-07	11,487-0-0	4,185-0-0.

Statement No. 4 submitted by the Dy. Conr. shows that out of Rs. 84,268-8-4 due by the members on account of annual instalment of loan and accumulated interest and also interest on loan for 1906-07 including previous years arrears, a sum of Rs 7,628-3-8 is reported to have been recovered during the year including Rs 1572-7-7 recovered in excess during the previous year from two of the members.

The Dy. Conr. states that with the exception of Messrs Kalappa and Hanuman Sah none of the other members have paid the annual instalments of loan and arrears of interest for the year 1905-06 and that not a single member including the above two has paid the instalment for the year 1906-07 He says that most of them are unable to pay their

Note—Contn. sheet

Sorial No.

dues and that in their desperate attempt to put off payment they put forth the argument that Govt. having taken all the crops from the Estates they have no other properties from which they can pay off the instalments and they cannot therefore be proceeded against for the recovery of their instalments.

We in soliciting orders for the adoption of coercive measures for the recovery from the defaulting members of the arrears of loan instalment and interest due from them, vide Statements 3 & 4, in accordance with the terms of the bond executed by them, recommend that in the cases of such of the members as pay up the annual instalments of the principal punctually the recovery of the accumulated arrears of interest for the past years may be held in abeyance and that a hope of the remission of such arrears may be held out to them, if they enable punctual payments of the instalments of the principal with the current interest thereon annually.

In this connection attention is invited to G.O. No. Fl 3130-1/B3-05 of 15-11-05 wherein the request of the members of the bank for the remission of interest due on the original loans has been declined to be granted.

The Rev. Govt. also does not agree with the Dy. Govt.

Note—Contn. sheet

Serial No.

in the above view on the grounds Explained.
Submitted.
15/8/07

The Dy Commrs recommendations are the following four:-

(1) The issue of advances for working expenses to be confined only to such members as are in real need of help and only to such estates as are capable of being worked at a profit.

(2) The advances to be given should not be restricted to the estimated value of the crop but shd be based on the actual minimum requirements of the estates, any deficit of bad years being met from the surplus receipts of prosperous years.

(3) In the case of such of the members as pay up the annual instalments of the principal punctually, the recovery of the accumulated arrears of interest may be held in abeyance and a hope of remission of such arrears may be held out to them if they make punctual payments of the instalments of the principal with current interest thereon annually—

GPB—50,000—25-2-07

Serial No.

+ (4) For distribution in accordance with recommendations nos 1 and 2 supra an allotment of Rs 15,000 may be sanctioned for 1907-8, on act of working expenses.

The Rev Commr. recommends views nos 1 and 2 of the Dy Commr. for the approval of Govt. Under G.O. of 6-1-05 estates which are "hopeless of improvement or cannot be profitably improved" are to be sold and advances for working expenses are to be made only in exceptional cases on the security of the standing crops. It is clear therefore that advances are intended to be given only to those members whose estates are capable of being worked profitably and not indiscriminately to all the debtors who may apply for them.

As regards recommendation no 2 it is not clear what is exactly meant by "actual minimum requirements for the upkeep of the Estates or portions of the estates. The only security on which working advances can be given, being the standing crops the amount to be advanced can not certainly exceed the estimated value

GPB—50,000—25-2-07

G. & S. S. 12]
General and Revenue Secretariat.

8 File No. 3 of 1907-08

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of such crops. Otherwise the debt would simply be swelled. The amounts obtained for working expenses shd obviously be spent on the portion of the estate which is expected to yield the largest return and not frittered away on the useless portions of the estate. It is no doubt to the interest of govt to prevent the estates from deteriorating but it is difficult to see what the govt would gain by making larger advances than can be repaid from the value of the crops estimated to be reaped during the year. The main object of these advances is to enable such of the debtors as cannot themselves afford to find the required funds, to work their estates so that from the value of the crops obtained by them, they may be able to pay their dues to govt. If this object shd be secured the advances on account of working expenses shd be much below the estimated value of the crops, so that there may be a margin for reducing the debt. It seems therefore not advisable to make advances irrespective of the expected annual yield. If the experience of a

GPB—50,000—17-3-07

Serial No.

few consecutive years shows that any of the estates can not be worked profitably at all, the best course, from the business point of view is, as stated by the Rev Commr to dispose of them for what they can fetch.

no 3. When the debtors are not in a position to pay even the instalments, there is nothing to be gained by holding out to them the hope of remitting the accumulated interest. As for the solvent members the Govt have as stated by the Rev Commr already shown them sufficient consideration and there is no reason why they shd be excused from paying what they can afford to pay and are bound to pay.

no 4. The Rev Commr's recommendation for the grant of an advance of Rs 15000 to be utilized for the well-maintained parts of (1) the Udewar Estate (2) the Malali Estate and (3) the Sundekere Estate may be sanctioned subject to the condition that the advance allowed to each Estate shd be so regulated as to permit

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of the estimate value of the crop not only repaying the advance but also to provide, as far as possible, for the reduction of the Debt. This amt of Rs 15000 apparently includes Rs 3600 on account of the Sundekere estate. The amount recommended by mr. Pilkington for these three estates is Rs 1531 against the estimated value of crops viz Rs 21600. It is stated that since mr. Pilkington framed these estimates the prospects have become worse and ~~this~~ ~~stated~~ the Dy Commr proposes to inspect the estates with mr. Pilkington and then fix the allotments required by each Estate. The amount asked for by him may be placed at his disposal for making advances, subject to the Condition mentioned above. The Rev Commr has given no opinion on the amount required for working expenses during 1907-8.

Of the 10 Estates mentioned in G.O. 96-1-05, one has been sold, two (those of Usman Sab and Kalappa) are stated not to require any help from Govt, four (those of Appaji Gowda, Lala Sahib, Abdul Rahiman Sab

GPB—50,000—17-3-07

Serial No.

and Manjayya) are not recommended for any advance and the remaining three (the Udevar estate, Malali and Sundekere estates) are said to require Rs 15000

Sub^d to General Secy)

Dmk 24.8.)

Since writing the above a later ref on the same subject has been brought to my notice and its sub?- for orders in the linked file. In one important respect viz the prospects of the crops of the year, the two references are somewhat inconsistent In his letter of (9-8-0) the Dy Commr: says that the prospects are good while in his former letter of 9-8-0) he said that the prospects were bad and that "there is not much hope of our realizing from the current years crop the full amount asked for by the owners for their working expenses".

Dmk 24.8.)

GPB—50,000—17-3-07

G. R. S. 12]
General and Revenue Secretariat.

B. File No. 3 of 1907-08

Serial No.	
7/12	D.O. No 500 of 4-9-07 from the Revenue Secy: in Empire forwarding draft Govt. Proceedings regarding the grant of advances for working Expenses of the Estates mortgaged to the Lak Banks at Chitkmapalur and Sallegipur and requests that the same may be placed before the Dewan for such orders as he may deem fit to pass thereon.

Note—Contn. sheet

GPH—50,000—25-2-07

Diary No. 1000

G.R.S. 13]

Routine Notes.

[To be used only for notes, requisitions, etc., not intended for permanent record.]

Submitted to Secretary

All the reference
bearing on the subject
of the enclosed D.O.
may be kindly ordered
to be sent.

B. V Lakshmanan
12.9.07.

Put it
Please put up
refer CM
12/9

Banking

Submitted with references which will
be found in the linked file B.3907

Another file B.3906 containing the petition
of Yesmon Lal with the report of the Rev. Forman thereon
is also linked hereto so as the references regarding
thereto are in B.3907 mw 14.9.07

GK Grant Secy

Secretary

Not returned from D.O.

N. B.—Should routine notes be written on small Slips, the notes must be copied, or slips pasted on this form.

GK

Please put up

9/11/07 Diary No. 7331 of 11-11-07

MGGPB—50,000—22-9-04

6364 13/9/07
16191 16/9/07 mw

G. R. S. 12]
General and Revenue Secretariat.

B File No. 3 of 1907

Serial No.

Dewan's addr.

The advance of Rs. 15,000 may be sanctioned for distribution as suggested by the Deputy Comr, Hassan.

The Dewan approves of the draft G.O.'s sent by the Rev. Comr, but before they are issued he may be asked whether the clause about taking possession of estates and disposing of them by private negotiation is necessary.

B.O.
7-11-07

Issue orders accdgly
8/3
9/11

Orders have already been issued sanctioning an advance of Rs. 18,800/- on account of the working Expenses of the Estates mortgaged to Govt. for the year 1907-08 - Vide G.O. No. R. 1127-8 / B-3-07-5 of 4-9-07.

Draft subs. asking the Rev. Comr. to favor Govt. with his opinion about the clause in the draft re the Estates being taken possession of and disposing of them by private negotiation.

JWC
BK
11/11/07.
Issue
11-11-07

10 To The Revenue Commissioner in Mysore

NOTE—Contn sheet.

GPB—50,000—17-3-07

G.R. S. 12]
General and Revenue Secretariat.

B File No. 3 of 1907

Serial No.

No. H 2273 of 13-11-07

10 Requests to be favored with his opinion whether the last clause in one of the drafts above referred to about taking possession of the Estates and disposing of them by private negotiation is according to law -

13 From - The Revenue Commr. in Penang

No. 5468 of 23/26-11-07,

States that the right conferred on Govt. to sell the Estates as for arrears of land revenue does not necessarily take away any right which Govt. may have, as mortgagee of the Estates, under clause 8 of the form of document prescribed in G.O. No. H 5286-9 of 1-3-06 to dispose of the Govt. lien by private negotiation or otherwise, that even if this not be the case he does not apprehend any great legal difficulty in the matter, Especially as the "private negotiation" referred to is merely preliminary to the sale by public auction and is proposed in the interests of the indebted members themselves and that still if it should be thought that the condition may be considered contrary to law, he has no objection to the removal of the words "by private negotiation or" from the last clause of the draft order.

Submitted Dsecy. 28/11/07. 29.11.7

Please consult Govt advocate

Forwarded to the Govt. advocate 9/12 officially for favour of opinion.

No 126 of 10-12-07 Govt Advocate

9.12.13

K Treasurer Secy

NOTE—Contn sheet.

G.P.B.—300—17-3-07

G.R.S. 12J

General and Revenue Secretariat.

B File No. 3 of 1907-08

U-O-32.

Serial No.

It is not illegal to take possession of and sell the mortgaged property when the mortgage deed authorizes such a step. But the sale of the property by private negotiation is liable to be questioned and is therefore risky. The safest course, in my opinion, is to proceed to realize the amount due to Government as a revenue demand, taking the offer made at the private negotiation as the bid of that person at the public auction.

S. Narayana Rao
11. 12. 07. Govt Advr:

Submitted Dsecy
BK
12/12/07
MR

Dewan
12/12
AB
22/12
16/2/12

7402
16.12.07

Recs orders according to the opinion of the Govt Advocate

AB
27/12/07
Submitted

14/12/1907

Note—Contn. sheet

GPB—50,000—23-10-05

G. R. S. 12]
General and Revenue Secretariat.

6 File No. 3 of 1907-08

Serial No.

One of the two drafts submitted by the Revenue for approval has been modified in accordance with the views of the Govt. Advocate and approved by the Secretary. The other draft has not been approved. Orders are solicited whether both the drafts may be issued.

BK 28/12/07.
WR 2/1/08

Secy). The wording in the other draft also may, I think be slightly altered as indicated in pencil.

KB 3.1.08

Print & submit in proof to Govt. before issue

BK 6-1-08.

L. 14

16 To - The Revenue, the Dy. Comrs of Hapt. and Badulla Dtts
No. H 3526-8 of 16-1-08

Declines to sanction from the crops of the current year 1907-8 any more advances for the upkeep of the Coffee Estates of the indebted members of the late Agricultural Bank & to call for periodical reports and directing in certain cases the realisation of the arrears due to Govt. under the provisions of the Land Revenue -

17 To - The Revenue, the Dy. Comrs of Hapt. and Badulla Dtts, the Inspector of Agricultural Banks & the Secretary, Coffee Estates
No. H 3529-33

NOTE—Contn. sheet

GPB—50,000—26-2-07

G. R. S. 12]
General and Revenue Secretariat.

B File No. 3 of 1907-08

Serial No.	
	Issues certain instructions to the Dy. Comrs and the Inspector of Coffee Estates for recovering from the indebted members of the Late Agricultural Banks at Tellicherry and Chittúrmalai debts due to Govt. by them either in selling the Estates in public auction or otherwise.

Note—Contn. sheet.

GPB—50,000—17-3-07

No 2038/7

OFFICE OF THE REV. COMR. IN MYSORE.

Bangalore, 1st August 1907.

FROM

A. RANGASWAMI IYENGAR, ESQ., B.A., B.L.,
Revenue Commissioner in Mysore.

To

The Secretary to the Government of
His Highness the Maharaja of Mysore,
General & Revenue Departments.

SIR,

I have the honor to submit herewith for the orders of Government a copy of letter No. 5/ Ag. B. dated the 17th July 1907 together with its enclosures from the Deputy Commissioner, Hassan District, submitting a report on the working of the estates hypothecated to the late Saklespur Agricultural Bank during the year 1906-07.

2. The Deputy Commissioner submits in paras 6 and 8 of the report -

(1) that it is desirable in the interests of Government that the sums advanced for the annual working expenses of the estates should not be limited, as is now done, by the estimated value of the year's crop, but should be fixed after ascertaining the estates or portions thereof which are capable of being worked profitably and the minimum requirements for the upkeep of such portions;

and (2) that annual advances should be made only to those members who are in real need of help and not indiscriminately to all the debtors of the Bank who may apply for them. I beg to recommend these views for the approval of Government.

3. As regards the proposal made by the Deputy Commissione in the last para of the report that a hope of remission of the accumulated arrears of interest may be held out, by way of in-

ducement

Rev. Comr Form 12.

190

From

A. RANGASWAMI IYENGAR, Esq., B.A., B.L.,

Revenue Commissioner

in Mysore.

To

The Secretary to the Government of
H. H. the Maharaja of Mysore,
General & Revenue Departments.

Dated 18
Despatched 9 August 1907
Received
No. 2038

Enclosure No. 7.

Submitting Hassan Deputy Commissioner's report on the working of the estates hypothecated to the late Saklespur Agricultural Bank during the year 1906-07.

Young & Co., Printers, 2,000—6-3 07.

inducement, to such members as will punctually repay the annual instalments of principal with current interest, I am unable to agree with the Deputy Commissioner in this view. The proposed concession may not serve the intended purpose in the case of those debtors of the Bank who have no other means but the mortgaged estates and who do not derive from them an income large enough after meeting the working charges, to repay the annual instalments of principal with interest; and as regards the few solvent members who have already been considerably benefited by being absolved of their liability for the debts of other members of the Bank, they cannot well expect Government to further forego the chance of realising in full at least the debts due by them.

4. The Deputy Commissioner refers in para 6 of his report to the statement (No. I) wherein he has calculated the average value of the out-turn of crop of the several estates for the last four years and compared it with the amount of working expenses advanced during the year 1905-06, and finds that most of the estates are not capable of being worked at a profit. But the actual amount advanced as working expenses during the years 1903-04 and 1904-05 is not given. It will be seen from the accompanying statement (a) that all the estates except those belonging to Appaji Gowda and Sundekere Gundappa have yielded during the past four years a total income large enough to cover the total working expenses advanced on their account. Anyhow, when once it is clearly made out that certain estates do not yield an average income sufficient to more than cover the annual working expenses necessary to be advanced in order to prevent their deterioration, no more advances for working expenses need be given them; and immediate steps might be taken to realize the debts due by the owners thereof either by sale or private treaty. This course is what would seem proper from a purely business point of view. But there may be other considerations such as the special circumstances of the defaulting debtor etc

which

which Governmentmight be disposed to take into account before passing final orders on each case.

I have the honor to be

Sir,

Your most obedient servant,

For Revenue Commissoner.

A.N.

No. 5/ Ag. B.

Deputy Commissioner's Office,
Hassan District,
Dated Hassan, 17th July 1907.

From

K.R. Srinivasiengar Esq. M.A.
Deputy Commissioner, Hassan District.

To

The Revenue Commissioner in Mysore.

Sir,

I have the honor to submit this report on the working of the estates hypothecated to the late Saklespur Agricultural Bank during the year 1906-07.

In their proceedings No. Fl. 4218-21/ B. 33-04-11 date 6th January 1905 Government ordered the winding up of the Agricultural Bank; and in directing that each member of the Bank should be held individually liable only to the extent of the amount in which he was indebted to the Bank, sanctioned the payment of advances in exceptional cases for the working of the estates hypothecated to the Bank. They also directed that bonds should be obtained from the members for the payment of their loans with arrears of interest thereon in 20 annual instalments commencing from the year 1905-06. Accordingly bonds were obtaine from all the members except Kirahalli Basavegowda and submitted to Government; but the Government having returned them for effecting certain modifications in them, they have been sent to the Taluk for the required alterations and on their receipt they will be submitted in due course.

In accordance with the directions contained in Government order of 6th January 1905 above referred to, payments amoun ing to Rs 23,881-2-9 and Rs 11,501-5-1 respectively were advanced for the working expenses of the estates of all the members during the years 05-06 and 06-07 out of the allotments of Rs 24,521-2-9 and Rs 17,630/ sanctioned by Government in their Proceedings Nos. Fl. 838-9/b. 3-05-2 dated 27th July 1905 and Fl. 1323-4/ B 13-06

dated 8th August 1906. On the recommendation of the Deputy Commissioner. During the year 1905-06 the advances issued were recovered in full from the crop and a considerable amount in excess was also realized and set off towards the arrears of advances of previous years. In the case of two members Messrs. Kalappa and Osman Sab the crop was such that after adjusting the advances of the year and of previous years there was sufficient balance left to more than cover the annual instalments of l oan and arrears of interest due by these members.

During the year 1906-07, however, the crop was so poor and so much below the estimate that had been first formed of it, that it did not go even half way to meet the advances issued for the working expenses; and this, in spite of the fact that the advances issued during the year amounted to only ₹ 11,501-5-0 which was less than half of what was issued in the previous year (05-06). Consequently not only was there no recovery made during the year towards the annual instalments and the arrears of interest etc due from any of the members but even the advances issued during the year have not been adjusted in full and have gone.to swell the arrears of advances and interest thereon by a sum of ₹ 7526-10-2 .

Most of the members having now applied for advances for the current year 07-08 it has to be determined how far and to what extent we can make the advances with due regard to the interest of Government. In this connection the following points are deserving of consideration :

(1) What was the object of Government in sanctioning the payment of advances ?

(2) How far is that object attained by the present system of restricting the advances to the estimated value of the crop ?

(3) Whether the above restrictions can be removed in the interests of Government ?

The Government sanctioned the issue of advances in exception

exceptional cases, apparently with the object of improving the Coffee estates or at least of preventing their deterioration (either being neglected by the owners owing to their not having either the money or the credit required to work the estates) so that if the property is to be sold for the Government dues there may be an estate to sell instead of so much waste of and jungle land. Now if this object is to be attained it is necessary that each estate should have a certain minimum amount, based on its requirements, allotted for its upkeep every year; and that its working expenses should not be limited as is now done to the estimated value of the crop. If the latter course is adopted the result will be that in a bad year like the last one (1906-07) the amount available for expenses will be so poor as to be absolutely insufficient for working the estate, so that the estate is bound to be neglected and left unworked during the year and to be allowed to deteriorate during the year to such an extent as to require a large and disproportionate amount of out lay in the subsequent years to have it brought into proper condition. Hence if the payment of advances for working expenses is to serve the intended purpose, it should not be restricted to the estimated value of crop as is now done but should be regulated by the requirements of each estate.

The next point for consideration is whether the removal of such restriction is likely to be advantageous to Govern ment in the long run. For a determination of this question I would invite reference to the enclosed statement No. 1 which gives the value of the crop realized during the last four years. If the amount advanced for working expenses during 1905-06 be taken as I am given to understand that it may be) as represent ing the minimum requirement of each estate it will be seen that the average annual realizations from most of the estates durin the past four years fall short of or just come up to the amount required for its working expense. Hence in the case of many of the estates it is hopeless to expect that the realizations from the crop will after meeting the working expenses therefor, leave

any

any appreciable balance to be set off towards the arrears of loan and interest. This is apparently due to the fact that many of the estates are not so well developed and maintained as to have a chance of being worked at a profit in the present depressed condition of the coffee market. It is only the better and more developed estates that can at present be worked with profit; and such estates are only a few - viz. the Malali estate (of Mr. M.N. Subbaiya) the Sundekere estate (of Mr. Gundappa) the Udewar estate (of Udewar brothers) and also the estates of Messrs Kalappa and Usman Sab. Of these I understand that Mr. Kalappa is in fairly well-to-do circumstances and commands credit and that he is not therefore in real need of any advances from Government. Mr. Usman Sab also can get on without help from Government. He has in fact applied for permission to work his estates himself with certain concessions and his application will be shortly submitted to you for orders. It is only the othe three estates that we have to consider in connection with the payment of advances. Even with regard to these estates the advances should be confined in my opinion only to such protions thereof as are being capable of being worked at a profit. For the reasons stated in para 5 the advances to be issued for these estates should not be restricted to the estimated value of the crop but should be ~~leased~~ based on their actual minimum requirements, any deficit of bad years being met from the surplus receipts of good and prosperous years. As regards the determination of the portions of these estates which may be worked at a profit and the minimum annual allotment required for them, they will have to be ascertained only by actual inspection; and for this purpose I shall inspect the estates with Mr. Pilkington and submit a report thereon if the aboveviews of mine commend themselve to you.

The enclosed statement No. 2 gives the amount of advances required for the working expenses of the current year by each of the members with the estimated value of the crop for the year as determined by Mr. Pilkington after personal inspection

of

of the estates. I am given to understand that the crop has, since Mr. Pilkington inspected the estates and prepared his estimates, fallen considerably short of the expectations that had been first formed of it, owing to the absence of timely rains and other causes. Hence in the case of many of the estates there is not much hope of our realizing from their current year's crop the full amount now asked for by the owners for their working expenses.

2 For the above reasons I beg to recommend (i) that the issu of advances for working expenses be confined only to such members as are in real need of help and only to such estates as are capable of being worked at a profit; (ii) that to provide for the above cases an allotment of ₹ 15,000/- be sanctioned for the current year - the allotment being proposed to be utilised on the well-maintained parts of (1) Udewar estate (now under Govt. management (2) Malali and Sundekere estates (for the latter the Government have already sanctioned in their Proceedings No. Fl. 8956-7/ B. 13-06-31 dated 5th June 1907 an advance of ₹ 3600 for the working expenses of current year); and (iii) that the amount to be expended on the above estates may not be restricted to the estimated value of the crop, but may be regulated by the minimum requirements of each estate and estimate of such minimum requirements being prepared every year by the Deputy Commissioner in consultation with the Inspector of Coffee estates.

In this connection I may also take up the question of the recovery of the arrears of the annual instalments of loan and of interest due from the Bank Members. It will be seen from the enclosed statements (Nos. 3 and 4) that with the exception of Messrs Kalappa and Usman Sab none of the other members have paid the annual instalment of loan and arrears of interest for the year 1905-06 and that not a single member including the abov two has paid the instalment for the year 1906-07. Most of them are unable to pay their dues; and in their desperate attempt to put off payment they put forth the argument that the Government having taken all the crops from the estates they have no other

properties

properties from which they can pay off the instalments and they cannot therefore be proceeded against, for the recovery of their instalments. If this plea is accepted there is absolutely no prospect of the loan, or the interest being recovered at any time. I beg permission to state that considering the present depressed condition of coffee industry and the large amount with which the estates are encumbered it is not possible to expect that the encumbrances will be cleared at all by any of the members unless some liberal concessions are allowed. It may be presumptuous on my part to state what these concessions should be; but I nevertheless venture to state that in my opinion nothing short of the remission of the accumulated arrears of interest and the reduction in the current rate of interest is likely to enable the members to clear their debts within a reasonable time Even with such a concession it is doubtful if all the members will benefit by it in their present circumstances and in the present condition of their estates; but it is hoped that some at least - as Messrs Kalappa and Usman Sab - will take advanta of it and pay off the principal with current interest, if the accumulated arrears of interest for previous years which very nearly amounts to one-third of the principal be remitted. Hence in soliciting orders for the adoption of coercive measures for the recovery from the defaulting members of the arrears of loan instalment and interest due from them (as shown in the enclosed statements 3 and 4) in accordance with the terms of the bonds executed by them, I beg to recommend that in the cases of such of the members as pay up the annual instalments of the principal punctually the recovery of the accumulated arrears of interest for the past years may be held in abeyance and that a hope of the remission of such arrears may be held out to them, if they make punctual payments of the instalments of the principal with the current interest thereon annually.

I have etc.....

"COPY"

Sd/ K.R. Srinivasiengar

Deputy Commissioner,

Hassan District.

For Revenue Commissioner

A.N.

Statement (a)

	1 Names of owners of estates.	2 Arrears of advances issued prior to the year 1905-06 with interest thereon.			3 Advances issued during 1905-06			4 Advances issued during 1906-07.			5 Total of columns 2, 3, and 4			6 Realizations from the crop during the years 1905-06 & 1906-07 together.			7 Difference of columns 5 and 6		
1	Udewar brothers	1300	14	4	5671	.	.	3800	.	.	10771	1	4	10940	.	.	+168	14	8
2	Appaji Gowda, K.	2311	12	11	1400	.	.	540	.	.	4251	12	11	2102	.	.	-2149	12	11
3	Lala Sab, H.	2226	5	5	2500	.	.	1050	.	.	5776	5	5	5887	.	.	+110	10	7
4	Usman Sab, Y.	X.	.	.	6000	.	.	2737	.	.	8737	.	.	13610	.	.	+4873	.	.
5	Abdul Rahiman Sab, M.	977	.	8	2000	.	.	873	.	.	3850	.	8	4671	.	.	+820	15	4
6	Subbiah, M.R.	1247	15	2	2440	.	.	1212	.	.	4899	15	2	5668	.	.	+768	.	10
7	Manjah, W.	640	13	5	250	.	.	80	.	.	970	13	5	1134	.	.	+163	2	7
8	Sundekere Gundappa	3191	12	2	2800	.	.	857	.	.	6848	12	2	6154	.	.	-694	12	2
9	Kalappa, M.	10	6	9	800	.	.	338	.	.	1148	6	9	2250	.	.	+1111	9	3
		19	3		26,761	.	.	11,457	.	.	[illegible]	3	.						

B. Ramaswamy

For Revenue Commissioner

No. 1.

Statement showing the value of crop realized, and the amount advanced for working expenses of the estates hypothecated to the late Agricultural Bank at Sakleshpur.

No.	Names.	Value of crop realized at Rs 8/- per maund after deducting the kandayam.				Average	Amount advanced for working expenses during		Remarks
		1903-04	1904-05	1905-06	1906-07		1905-06	1906-07	
1	2	3	4	5	6	7	8	9	10
1	Aldewar Estate	1065	4169	9673	1267	4044	5671	3800	
2	K. Appaji Gowda	351	1008	1726	376	865	1400	540	
3	H. Lala Sab	870	2726	5517	370	2371	2500	1050	
4	T. Usman Sab	2024	3544	13000	610	4794	6000	2737	
5	M. Abdul Rahiman Sab	1151	3367	4358	313	2297	2000	873	
6	M. A. Subbiah	1500	3220	5193	475	2597	2460	1212	
7	W. Manjiah	92	180	1121	13	352	250	80	
8	Sundekere Estate	648	768	5523	631	1892	2800	857	
9	M. Halappa	464	1266	2120	130	995	800	338	
	Total	8165	20,248	48,231	4185	20,207	23,861	11487	

Dated Hassan 17th July 1907

Copy

B Ramamurthi

Bde for Revenue commissioner

sd/ K. R. Srinivasiengar
Deputy Commissioner
Hassan District

No. 2.

"Statement shewing the advances required for working expenses of the estates hypothecated to the late Agricultural Bank at Sakleshpur for the year 1907-08 with estimates of crops, and their expected approximate value.

No.	Names	Advances required for 1907-1908. As applied for by owner	Advances required for 1907-1908. As recommended by Mr. Pitkington	Estimated coffee crop in maunds	Approximate value of crop at Rs 8 per maund	Remarks
1	Udewar estate.	-	8211	1200	9600	
2	K. Appajee Gowda	1200	1200	550	4400	
3	H. Lala Sab	2500	3370	600	4800	
4	T. Usman Sab	(a)	(a)	2400	19200	(a) The owner does not require any advance from Government.
5	Abdul Rahiman Sab	2598	2950	550	4400	
6	M. N. Subbayya	3000	3500	750	6000	
7	W. Manjiah	(b)	(b)	30	240	(b) Mr. H. Pitkington has not recommended any advance. Vide the extract of his inspection notes herein enclosed.
8	Hirahalli Estate	-	-	-	-	
9	Sundekere Gundappa	4000	(c)	750	6000	(c) Rs 3600 has already been sanctioned by Government. Vide Government Order No. Fe. 8956-7/B.13-06-31 dated 5th June 1907.
10	M. Kalappa	1200	1200	250	2000	
	Total		20431		56,640	

Copy

Saied Hassan
17th July 1907

Remarks

For Revenue Commissioner

sd/ H. R. Srinivasiengar
Deputy Commissioner
Hassan District.

Mr. Manjia, Baikere, Nagara, Inspected 6th April 1907.

x x x x x

I reported in December that leaf disease had attack this coffee very badly. It did more harm than I expected. There was a very poor blossom. I do not think the crop will amount to more than 20 maunds say 30 maunds for the two places. The last crop has only 6 maunds, I was told; value say ₹ 48/-. As Government has allowed ₹ 120/- for working expenses there will be a deficit.

To improve this coffee work and manure are required and the total coming crop 30 maunds may realize ₹ 240/- a sum totally inadequate to effect any improvement.

As this estate continues to make a loss and increase its debt every year, I cannot advise further advances being made and would suggest pressure being put on the owner to pay Government dues out of his wet crops and other property.

Sd/ H. Pilkington
Inspector of Coffee Estates

"COPY"

For Revenue Commissioner.

A.N.

No. 3

Statement shewing the liabilities of the several owne
Bank at Saklespur and repayments made by

No.	Names	Annual instalment of Loan and arrears of interest						Interest on loan for the year 1905				
		Due			Received			Due			Rece	
1	2	3			4			5			6	
1.	Udewar Brothers (estate under govt. management)	4472	14	11	.	.	.	2925	2	6	2514	
2.	K. Appaji Gowda	1225	2	2	.	.	.	781	13	8		
3.	H. Lala Sab.	2403	3	10	.	.	.	1538	8	10	743	
4.	T. Usman Sab	3279	3	7	4788	14	1	2097	11	7	2097	
5.	M. Abdul Rahiman Sab.	2427	14	10	.	.	.	1553	5	8	134	
6.	M. N. Subbiah	4064	12	3	.	.	.	2609	2	6	145	
7.	W. Manjiah	463	9	9	.	.	.	295	14	8	221	
8.	Kirkalli Baswe Gowda	1382	12	-	1098	13	5	883	4	-		
9	Sundekere Gundappa	4363	1	11	.	.	.	269	9	)		
10	M. Kalappa	786	1	7	848	14	10	502	7	2	502	
	Total	24868	12	10	6736	10	4	15885	-	2	8881	

Dated Hassan
17th July 1907

of the estates hypothecated to the late Agricultural

them during the official year 1905-06.

	Arrears of advances issued in previous years with interest thereon				Advances issued during the current year 1905-06 with interest thereon				Total up to the year 1905-06				Remarks
ed	Due		Received		Due		Received		Due		Received		
	7		8		9		10		11		12		13
3 8	1300 1 4		1300 1 4		5758 5 3		5758 5 3		14456 8 -		9573 4 3		
-	2311 12 11		299 6 8		1426 15 1		1426 15 1		5745 11 10		1726 5 9		
-	2226 5 5		2226 5 5		2552 1 10		2552 1 10		8720 3 11		5521 14 3		
7	. . .		. . .		6113 6 4		6113 6 4		11490 5 6		13000 - -		
10	977 - 8		977 - 8		2035 9 7		2035 9 7		6993 14 9		4357 13 1		
-	1247 15 2		1247 15 2		2493 6 4		2493 6 4		10415 4 3		5192 14 6		
1	640 13 5		640 13 5		254 1 6		254 1 6		1654 7 4		1121 10 -		
-	- . .		. . .		20 7 0		. . .		2286 7 -		1119 4 5		150-0-0 amounts realized by Bagasse sale
-	3191 12 2		2669 2 1		2858 5 5		2858 5 5		13110 13 1		5527 7 6		946-12-0 the portion of the estate sold to Mr. H. J. Anderson
2	10 6 9		10 6 9		816 14 -		816 14 -		2115 13 6		2178 10 9		
													2-1-5 Interest on the above amounts from the date of credit
4	11906 3 10		9371 3 6		24329 8 4		24309 1 4		76989 9 2		49298 13 6		1098-13-5

Copy

B Ramaswamy

For Revenue Commissioner

BK

sd/ K. R. Srinivasiengar

Deputy Commissioner

Hassan District.

No. 4

Statement showing the liabilities of the several owner
Bank at Saklespur and repayments made by the

No.	Names	Result up to previous year						Annual instalment of Loan and arrears of Interest					
		arrears due			excess paid			Due			Recovered		
1	2	3			4			5			6		
1	Udewar Brothers (estate under Govt. management)	4883	3	9	.	.	.	4472	14	11	A 173	5	10
2	K. Appaji Gowda	4019	6	1	.	.	.	1225	2	2	.	.	.
3	H Lala Sab	3198	5	8	.	.	.	2403	3	10	.	.	.
4.	T. Usman Sab	.	.	.	1509	10	4	3279	3	7	B 1150	.	.
5.	M. Abdul Rahiman Sab	2636	1	8	.	.	.	2427	14	10	.	.	.
6.	M. R. Subbayya	5222	5	9	.	.	.	4064	12	3	.	.	.
7.	W. Manjayya	532	13	4	.	.		463	9	9			
8.	Kirahalli Basve Gowda	1187	9	7	.	.	.	1382	12	—	C 136	9	.
9	Sundekere Gundappa	7583	5	7	.	.	.	4363	1	11	.	.	.
10	Malali Kalappa	.	—	—	62	13	3	786	1	7	.	.	.
	Total	29263	3	5	1572	7	9/7	24868	12	10	1459	14	10

A. obtained
B. Obtained
C. Sale of

Deputy Commissioner's Office
Hassan Districts,
Dated Hassan, 17th July 04

of the estates hypothecated to the late Agricultural during the official year 1906-07.

Interest on Loan for the year 1906-07			Arrears of advances issued in previous years with interest thereon.						Advances issued during the current year 1906-07 with interest thereon.						Total for the year 1906-07						Remarks
Dues			Due			Recovered			Due			Recovered			Due			Recovered			
7			8			9			10			11			12			13			14			15
716	7	6										3851	15	4	1291	5	8	16124	9	6	1466	11	6	
81	13	10				2189	1	2				556	12	7	376	6	3	8772	3	10	376	6	3	
38	9	-										1076	12	10	387	13	11	8216	15	4	381	13	11	
32	7	6										2799	13	5	609	13	10	8011	8	6	3269	8	2	
53	5	9										894	3	10	350	-	4	7511	10	1	350	-	4	
09	2	7										1247	10	7	720	15	2	13143	15	2	720	15	2	
95	15	7										82	9	11	12	10	2	1375	-	7	12	10	2	
36	14	2				20	13	5	20	11	-	16	1	2				3444	2	2	157	4	-	
37	9	7				537	9	4				878	1	4	641	5	4	16059	11	9	641	5	4	
14	13	2										347	12	8	190	11	7	1608	11	5	253	8	10	
137	2	6				2747	7	11	20	11	-	11751	13	8	4575	2	3	84268	8	4	7620	3	8	

sale of right of drawing toddy from Bagani trees on the Estate by sale of estate — Bagani and other items.

Copy

B Ramaswamy

For Revenue Commissioner

B/L

sd/ K. R. Srinivasappa

Deputy Commissioner

Hassan District.

G.R:S. 13]

Routine Notes.

[To be used only for notes, requisitions, etc., not intended for permanent records.]

7½
6 30/07.

12-9-07.

Re: $500
Transfer from [illegible] Improvement Fund to the Appropriation for Improvements on Pine Lake Reservation for 1907. $1000

Dear Mr. Chatham,

I send herewith draft & Specifications for grading the front of Bungalow for working advances for Coffee Exhibits Expenses of the Coffee Exhibit Manager to the Lake Morgan Poultry & Agricultural Exhibit at Chautauqua and Salesmen

N. B.—Should routine notes be written on small Slips, the notes must be copied, or slips pasted on this form.

MGCPB—50,000—22-9-07

G.R.S. 26]

18-11

File No. 3907
Serial No. 310

Diary No. of letter replied to 1000

No. H 2273

8/13-11-07

General and Rev. Secretariat
(Banking)
the 190 .

To

The Revenue Commissioner
in Mysore

Sir

Date of issue 13 Nov 07

Signed by M Srinivasayengar

With reference to your D.O. of the 11th September 1907 forwarding for orders two draft Govt. Proceedings regarding the grant of advances for working Expenses of the Coffee Estates mortgaged to the late Agricultural Banks at Chikmagalur and Sakleshpur I am directed to request you to be so good as to favor Govt. with your opinion whether the clause in the draft above referred to, last

over.

SUBJECT.

about taking possession of the Estates and disposing of them by private negotiation is according to law.

I have &c.

16/11/3

Sir Genl. Supt.

WG

List of enclosures,

Copied by KR 12/11/07

Examined by

MGCPB—20,000-19-12—04.

No. 5468

OFFICE OF THE REV. COMR. IN MYSORE,

Bangalore, 23rd November 1907

268

FROM

A. RANGASWAMI IYENGAR, ESQ., B.A., B.L.,
Revenue Commissioner in Mysore.

To

The Secretary to the Government of
His Highness the Maharaja of Mysore,
General & Revenue Departments.

SIR,

With reference to your letter No.Fl.2273/B.3-07-3 dated the 13th instant, requesting me to give my opinion as to whether the last clause in one of the two drafts submitted by me with my D.O.of 11th September 1907, about taking possession of the coffee estates and disposing of them by private negotiations is according to law, I have the honor to state that, the right conferred on Government to sell the estates as for arrears of land revenue does not necessarily take away any right which Government may have, as mortgagee of the estates, under clause 8 of the Form of document prescribed in Government Order No.Fl.5286-9/B.2-05-17 dated the 1st March 1906 to dispose of the Government lien by private negotiation or otherwise. Even if this be not the case I do not apprehend any great legal difficulty in the matter, especially as the "private negotiation " referred to is merely

Agg 7th 1851 13 1-07

Rev. Coms. Form 12

190

From

A. RANGASWAMI IYENGAR, Esq., B.A., B.L.,

Revenue Commissioner

in Mysore.

To

The Secretary to the Government of
H. H. the Maharaja of Mysore,
General & Revenue Departments.

Dated 23rd

Despatched 26th November 1907

Received

No. 5468

Enclosure No. nil

Giving his opinion as to the legality of disposal, by private negotiation, of estates of indebted members of the late Agricultural Banks at Chickmagalur and Sakleshpur, referred to in one of the draft Proceedings sent up by the Revenue Commissioner.

Young & Co., Printers, 2,000—6-3 07.

preliminary to the sale by public auction and is proposed in the interests of the indebted members themselves - Still if it should be thought that the condition may be consider -ed contrary to law, I have no objection to the removal of the words "by private negotiation or" from the last clause of the draft order.

I have the honor to be,

Sir,

Your most obedient servant,

For Revenue Commissioner.

B.K.R.

Draft.

Proceedings of the Government of H.H. the Maharaja of Mysore.

Read:-

(1) Government Order No.Fl. 4218-21/B.33-04-11 dated 6th January 1905, directing the winding up of the coffee Banks at Saklespur and Chickmagalur and issuing certain instructions for individual-ly dealing with the estates concerned .

(2) ~~Proceedings of~~ Government order No.Fl.168-71-Legis.34-04-1 dated 8th July 1905, authorising the Deputy Commissioners to grant advances for working expenses to owners of coffee estates who having been members of the Coffee-Banks of Saklaespur or Chik-magalur are allowed by Government

to repay their share of the debt by instalments.

(3) Letter No.2038 dated 1st August 1907 from the Revenue Com-missioner in Mysore submitting the report of the Deputy Commis-sioner, Hassan District on the working of the Estates hypothecate to the late Agricultural Bank at Sakalaespur during the year 1906-07.

Order thereon. No. 703526-8
B3-07-416

---

316 January 08

The Agricultural Banks at Sakalespur and Chickmagalur were ordered to be wound up in January 1905; but, seeing that the adoption of coercive measures for immediate recovery of the loans would be disastrous to even some of the solvent members,

individual liability was substitut
-ed for the joint liability that
existed before and certain instruc
-tions were issued for dealing
with each estate and for grant-
-ing advances for working expenses
in exceptional cases with proper
safe guards. The object with
which the grant of advances for
working expenses was sanctioned
by Government in November 1902
and continued after the Banks
were wound up was to prevent
the deterioration of the estates
as their owners, being greatly
involved in difficulties were
unable to raise loans on the
security of standing crops for
the annual up-keep. But it
is observed from the reports of
the Deputy Commissioners and the
Inspector of Coffee Estates that
this

this object of Government has not been secured and that many of the Estates have gradually deteriorated . Further, great dif-ficulties have been felt in fixing the amount required for working expenses of each estate and in seeing that the amount advanced was properly utilised and was recovered in due course. On a careful consideration of these facts, the Government of His Highnes the Maharaja of Mysoe are pleased to direct that notice be given to all concerned

1. that no more advances will be granted for working expens from the close of the current year 1907-08,

2. that where the advances granted for the up-keep of the coffee-estates or the instalments

of principal and interest due according to the agreements executed by the members have been allowed to fall into arrears, or when the Government have satisfied or reason to believe that any estate has not been preserved from deterioration and that the realisation of the arrears will be thereby endangered, the Govern-ment will at their discretion to recover the whole amount due to them as a land revenue demand by taking possession of the estate and selling the same by private negotiations or by public auction.

Secretary.

To

The Revenue Commissioner
in Mysore.

The Deputy Commissioners of
Hassan and Kadur Distri

D R A F T .

Proceedings of the Government of H.H.the Maharaja of Mysore.

Order. H 3529-33 B3-07-15-17 dt 16 January/08

With reference to Government Order No. H 3526-8 B3-07-14 dated 16 January/08 declining to sanction any more advances for the up-keep of the estates of the indebted members of the late Agricultural Banks at Saklespur and Chikmagalur and directing in certain cases the realisation of the arrears due to Government under the provisions of the Land Revenue Code, the Government wish to indicate that their object is to close the transactions relating to these Agricultural Banks as early as possible without causing any avoidable loss to the Government or the owners of the coffee estates concerned. It is their policy not to dislocate the market for coffee estates or local conditions for their management by bringing too many estates to public sale without taking care to see whether if there was a tolerable demand for the same. With these considerations in view they are pleased to lay down the following instructions fo the guidance of the Deputy Commissioners and the Inspector of Coffee Estates:-

1. These officers should be on the look out to find out possible purchasers of the coffee estates and other property of the debtors who have allowed their instalments or advances to fall into arrears, on terms which may be regarded as fair..

2. In cases where it may be considered inexpedient ~~to take possession of the estate and proceed to sell it~~ to proceed to sell by public auction under clause 2 of the Government order referred to above the Deputy Commissioner will in consultation with the Inspector of Coffee Estates ascertain by

private negotiations the highest bona fide offer forth-coming and with the sanction of Government accept the offer conditionally; fixing a time for final reply, and ask the owner whether he is prepared to compound with Government for the full and final adjustment of the debt due by him on terms not less favou able than the offer. If the owner is unable to comply with this proposal the Deputy Commissioner will arrange to sell the estate by public auction with the offer as the upset price; and if a higher bid be not received, the estate will be knocked down to that offer. It is to be distinctly understood that the terms of the offer and the name of the individual making it will be kept strictly confidential until it is finally accepted with the sanction of Government.

3. On the report of the Inspector of Coffee Estates that any Estate is being allowed to deteriorate the Deputy Commissioner will inspect the same with the Inspector and decide the course of action to be adopted, both of them acting together in giving effect to the instructions contained in para 2 above and in the Government Order referred to above.

4. The Deputy Commissioner will, with the approval of Government, be competent to allow the owner to transfer the mortgaged estate or other property to other person on terms similar to those now enjoyed by the owner at a price which under the circumstances may be considered fair and reasonable, provided that the transferee is solvent and of a satisfactory character.

Secretary.

To
The Rev. Commr. in Mysore
" Dy. Comrs. Hassan & Kadur Dists
" Inspector of Coffee Estates

Proceedings of the Government of His Highness the Maharaja of Mysore, Financial (Banking), dated 16th January 1908.

READ—

1. Government Order No. Fl. 4218-21—B. 33-04-11, dated 6th January 1905, directing the winding up of the Coffee Banks at Saklespur and Chikmagalur and issuing certain instructions for individually dealing with the estates concerned.

2. Government Order No. Fl. 168-71—Legis. 34-04-1, dated 8th July 1905, authorising the Deputy Commissioners to grant advances for working expenses to owners of coffee estates, who, having been members of the Coffee Banks of Saklespur or Chikmagalur, are allowed by Government to repay their share of the debt by instalments.

3. Letter No. 2038, dated 1st August 1907, from the Revenue Commissioner in Mysore, submitting the report of the Deputy Commissioner, Hassan District, on the working of the estates hypothecated to the late Agricultural Bank at Saklespur during the year 1906-07.

No. Fl. 3526-8—B. 3-07-16, dated Bangalore, 16th January 1908.

Order thereon.—The Agricultural Banks at Saklespur and Chikmagalur were ordered to be wound up in January 1905; but, seeing that the adoption of coercive measures for immediate recovery of the loans would be disastrous to some of the solvent members, individual liability was substituted for the joint liability that existed before and certain instructions were issued for dealing with each estate and for granting advances for working expenses in exceptional cases with proper safe guards. The object with which the grant of advances for working expenses was sanctioned by Government in November 1902 and continued after the Banks were wound up, was to prevent the deterioration of the estates as their owners, being greatly involved in difficulties, were unable to raise loans on the security of standing crops for the annual up-keep. But it is observed from the reports of the Deputy Commissioners and the Inspector of Coffee Estates that this object of Government has not been secured and that many of the estates have gradually deteriorated. Further great difficulties have been felt in fixing the amount required for working expenses of each estate and in seeing that the amount advanced was properly utilized and was recovered in due course. On a careful consideration of these facts, the Government of His Highness the Maharaja of Mysore are pleased to direct that notice be given to all concerned:—

(1) That no more advances will be granted for working expenses from the close of the current year 1907-08.

(2) That where the advances granted for the up-keep of the Coffee Estates or the instalments of principal and interest due according to the agreements executed by the members have been allowed to fall into arrears or when the Government are satisfied or have reason to believe that any estate has not been preserved from deterioration and that the realisation of the arrears will be thereby endangered, the Government will at their discretion recover the whole amount due to them as a land-revenue demand.

C. S. BALASUNDARAM IYER,
Offg. Secy. to Govt., Gen. & Rev. Depts.

To—The Revenue Commissioner in Mysore.
The Deputy Commissioners of Hassan and Kadur Districts.

Exd.—C. B.

Proceedings of the Government of His Highness the Maharaja of Mysore, Financial (Banking), dated 16th January 1908.

No. Fl. 3529-33—B. 3-07-17, dated Bangalore, 16th January 1908.

Order.—With reference to Government Order No. Fl. 3526-8—B. 3-07-15, dated 16th January 1908, declining to sanction any more advances for the up-keep of the estates of the indebted members of the late Agricultural Bank at Saklespur and Chikmagalur, and directing in certain cases the realisation of the arrears due to Government under the provisions of the Land Revenue Code, the Government wish to indicate that their object is to close the transactions relating to these Agricultural Banks as early as possible without causing any avoidable loss to the Government or the owners of the coffee estates, concerned. It is their policy not to dislocate the market for coffee estates by bringing too many estates to public sale without taking care to see whether there was a demand for the same. With these considerations in view ~~fair~~, they are pleased to lay down the following instructions for the guidance of the Deputy Commissioners and the Inspector of Coffee Estates:—

(1.) These officers should be on the look out to find out possible purchasers of the coffee estates and other property of the debtors who have allowed their instalments or advances to fall into arrears, on terms which may be regarded as fair.

(2.) In cases where it may be considered inexpedient to proceed to recover the loan as a revenue demand and sell the land by public auction under clause 2 of the Government Order referred to above, the Deputy Commissioner will, in consultation with the Inspector of Coffee Estates, ascertain by private negotiation the highest *bona-fide* offer forthcoming and with the sanction of Government accept the offer conditionally, fixing a time for final reply, and ask the owner whether he is prepared to compound with Government for the full and final adjustment of the debt due by him on terms not less favourable than the offer. If the owner is unable to comply with this proposal, the Deputy Commissioner will arrange to sell the estate by public auction with the offer as the upset price, and if a higher bid be not received, the estate will be knocked down to that offer. It is to be distinctly understood that the terms of the offer and the name of the individual making it, will be kept strictly confidential until it is finally accepted with the sanction of Government.

(3.) On the report of the Inspector of Coffee Estates that any estate is being allowed to deteriorate, the Deputy Commissioner will inspect the same with the Inspector and decide the course of action to be adopted, both of them acting together in giving effect to the instructions contained in para 2 above and in the Government Order referred to above.

(4.) The Deputy Commissioner will, with the approval of Government, be competent to allow the owner to transfer the mortgaged estate or other property to other persons on terms similar to those now enjoyed by the owner at a price which under the circumstances may be considered fair and reasonable, provided that the transferee is solvent and of a satisfactory character.

Sd/ C. S. Babasundaram Iyer
Offg. Secy. to Govt., Gen. & Rev. Depts.

To—The Revenue Commissioner in Mysore.
The Deputy Commissioners, Hassan and Kadur Districts.
The Inspector of Agricultural Banks.
The Inspector of Coffee Estates.

Fxd.—C. R.

1907-08

GOVERNMENT OF HIS HIGHNESS
THE MAHARAJA OF MYSORE

FINANCIAL (BANKING)

PROCEEDINGS

Dated 16th January 1908

No. Fl. 3526-8
B. 3-07-16

Declining to sanction from the close of the current year 1907-08, any more advances for the up-keep of the Coffee Estates of the indebted members of the late Agricultural Banks at Saklespur and Chikmagalur, and directing in certain cases the realisation of the arrears due to Government under the provisions of the Land Revenue Code.

GPB—14-2-08—200

1907-08

GOVERNMENT OF HIS HIGHNESS
THE MAHARAJA OF MYSORE

FINANCIAL (BANKING)

PROCEEDINGS

Dated 16th January 1908

No. Fl. 3529-33
B. 3-07-17

Issuing certain instructions to the Deputy Commissioners and the Inspector of Coffee Estates for recovering from the indebted members of the late Agricultural Banks at Saklespur and Chikmagalur debts due to Government by them either by selling the estates in public auction or otherwise.

GPR—11 2-08—200